Contract Administration

Chapter 6

Learning Objectives

- Determine those contract administration contingency issues most often experienced.
- Decide Contract File contents
- Determine the appropriate Contingency modification approach
- Identify excusable delays
- Decide which termination approach is best

Contract File Contents

- All FAR and DFARS administrative recordkeeping and file management will continue under contingency, humanitarian assistance or peacekeeping conditions unless specifically stated otherwise. Contract files must be organized and sufficiently annotated to document the actions taken and the supporting rationale for the entire procurement process to include BPAs, purchase cards and other expenditures.

Documentation in files shall—

- Furnish essential facts (including a description of the acquisition environment) used as a basis for informed decisions at each step in the acquisition process.
- Document the rationale for actions taken.
- Provide a complete audit trail that may be used to support reviews and future investigations, litigation or congressional inquiries.

Contract Action Audit System

- *Audit System.* A simple database reporting system to provide visibility and status of procurement actions is required and should be implemented immediately. The system should include the following data fields:
  - Date of receipt of requisition.
  - Date of award.
  - Type of contracting action (i.e., contract, purchase order, BPA, delivery order, modification).
  - Amount of committed dollars.
  - Contractor name.
  - PIIN Log
  - Amount of obligated dollars.
  - Unit of measure/quantity (i. e., job, lot, each,).
  - Item Description.
  - Contracting Officer's name.
  - Date of receiving report.
  - Date of final payment.
  - Date contract was closed out.
  - Location of contract file.
  - Remarks.

General Contract Administration

The contracting process does not end with the award of a contract, purchase order, or delivery order. All the effort spent in planning, describing, and funding the customer's equipment could potentially go for naught without effective administration of the resultant contractual instrument. The role of contract administration is to complete the cycle and assure the customer's needs are satisfied.

Practical Exercise

Contract Closeout w/ GFE Training scenario

Construction Contract Administration

Full administration is used on construction contracts. The CCO needs to ensure that all pre-award actions have been accomplished.

Pre-Construction Conference

Liquidated Damages (LDs) determination

Payments

Learn. Perform. Succeed.

Contracting Officer Representatives

CORs

Contractor surveillance by contract personnel under contingency conditions may be difficult due to on-going military operations, local threat conditions, remote location, broad customer base, and the performance/delivery time involved. Therefore, it is important to establish a properly trained cadre of CORs within the organizations major customers you support.

- Appointment / Designation
- Duties
- Do's & Don't
- Training

Contract Modifications

- Unilateral: A unilateral modification is a contract modification that is *signed only* by the Contracting Officer.
  - Administrative Changes
  - Incremental Funding
  - Issue Change Orders
  - Make changes authorized by clauses other than Changes Clause e.g. Options, Suspension of Work

FAR 43.103

- Bilateral: A bilateral modification is a contract modification that is *signed by both* the Contractor and the Contracting Officer.
  - Negotiated Equitable Adjustments
  - Definitize Letter Contract
  - Reflect other agreements between the Parties modifying the terms

Practical Exercise

Modify a Contract Training Scenario

Excusable Delays

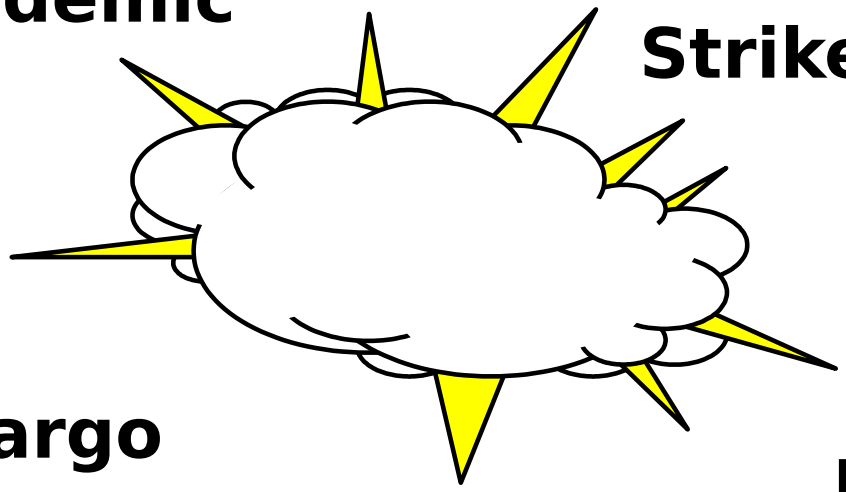
Failure to perform arises out of causes beyond and without fault/negligence of the Contractor

War

Epidemic

Strikes

Acts of God



Flood

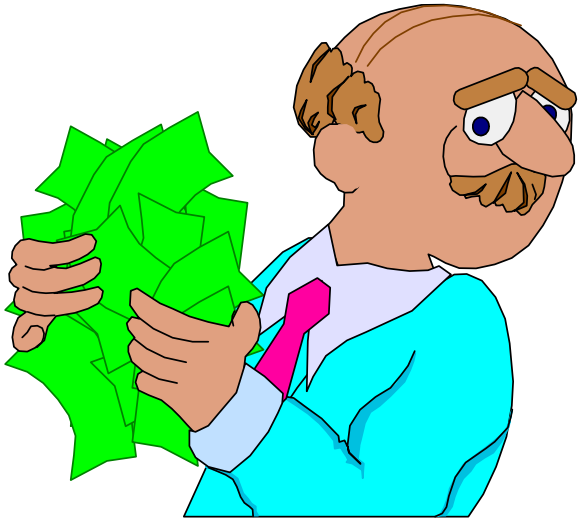
Freight Embargo

Fire

Government Actions Unusually Severe Weather

Terminations

Termination For Convenience (T4C)



Termination For Default (T4D)

Termination For Cause

Practical Exercise

Prepare documentation to Terminate a contract for convenience

Training Scenario # 1

Practical Exercise

Contract termination Judgmental and Ethical decision making

Training Scenario # 2